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**FISCAL IMPACT STATEMENT**

**LS 7893**

**BILL NUMBER:** SB 480

**NOTE PREPARED:** Apr 12, 2005

**BILL AMENDED:** Apr 11, 2005

**SUBJECT:** Election Administration Issues.

**FIRST AUTHOR:** Sen. Landske

**FIRST SPONSOR:** Rep. Richardson

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:** X **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill has the following provisions:

(A) The bill provides that a person who has been notified of a proposed civil penalty for violation of campaign finance laws may enter into a settlement agreement with the Election Division.

(B) The bill changes the schedule for filing campaign finance reports by candidates for a state office.

(C) The bill describes the circumstances under which a challenged voter must be provided a regular official ballot and the circumstances under which the voter must be given a provisional ballot. The bill requires the counting of a defective provisional ballot that is defective solely because of an act or a failure to act of an election officer unless fraud, tampering, or misconduct affecting the integrity of the ballot is demonstrated. The bill makes other changes relating to procedures for processing provisional ballots.

(D) The bill provides that personal service upon an individual in a state recount or contest proceeding is not required if the individual's attorney has filed an appearance with the Election Division and is provided with service. The bill makes the provision imposing the 1% requirement to determine the amount of the cash deposit needed for a recount consistent for both petitions and cross-petitions. The bill permits certain parties to a recount or contest to file a joint motion to dismiss before the completion of the recount or contest. The bill specifies that recounts and contests may be conducted and votes counted for an office only in a precinct within the election district for the office.

(E) The bill amends statutes relating to impoundment of records and equipment by order of the State Recount

Commission. The bill provides that the State Recount Commission's authority, in case of fraud or misconduct, to order that none of the ballots cast in a precinct be counted applies to ballots cast by any voting method.

(F) The bill permits the Election Division to authorize county adoption of a proposed precinct establishment order submitted by a county if a voter of the county does not file an objection to the proposed order.

(G) The bill authorizes the Secretary of State, as the state's chief election officer, to enter a polling place unless the Secretary of State is a candidate for nomination or election to an office at the election.

(H) The bill assigns responsibility for custody of original voter registration records for purposes of scanning the records for inclusion of information on the statewide voter registration list.

(I) The bill eliminates the requirement that the Governor and the Lieutenant Governor take the oath of office in the presence of both Houses of the General Assembly. The bill removes certain obsolete references. The bill repeals a provision stating that the law relating to the administrative complaint procedure under the Help America Vote Act applies after December 31, 2003.

**Effective Date:** Upon passage; July 1, 2005.

**Explanation of State Expenditures:** (Revised) (B) Under the bill, candidates for state offices would be required to file five campaign finance reports in an election year. (Under current law the total filed in an election year is three.) Additionally, a candidate for state office would be required to file a supplemental large contribution report with the Election Commission. The Commission would be required to prescribe the report form for large contributions. The provision could increase the time the Election Division would require to process the additional reports, in election years, from candidates for state office. However, the Division should be able to process the additional reports within their existing budget.

(D) Under the bill, if an attorney has filed for an appearance that concerns a recount with the Election Division on behalf of a candidate, the Indiana State Police would be required to serve notice on the attorney for the candidate.

(F) Under the bill, the Election Division would be allowed to administratively handle precinct orders in counties. This provision should minimally impact Election Division expenditures.

(Revised) (H) Under the bill, the state or a company on behalf of the state would be charged with the care and proper return of voter registration records, if a county were to release copies of the records to the state. The provision would not place the county or the state liable for lost or damaged records. Any company chosen by the state to carry out scanning of the records would be held liable for any lost or damaged records.

(I) Under the bill, the Election Division would no longer be required by statute to prepare and distribute paper ballots for election or retention of persons to federal or state offices or for public questions. This provision would present a minimal savings for the Election Division.

*Background Election Division:* The Division does continue to print ballots for counties that do not produce optical scan ballot cards for absentee voters. The Election Division had printing costs of about \$260 for forms and \$2,200 for non-forms in FY 2004.

*Background State Police:* As of December 6, 2004, the Indiana State Police (ISP) had 1,882 total employees

including 1,787 full-time, and 95 employees on leave. The ISP reverted \$2.7 M back to the state General Fund at the end of FY 2004.

**Explanation of State Revenues:** (Revised) (A) By waiving a hearing with an agreement to pay a civil penalty, the Election Division could receive penalties more quickly and reduce the administrative case load of campaign law violations for the Commission.

*Background:* Under current law, election law civil penalties are placed in the state Campaign Finance Enforcement Account. As of June 30, 2004, the state Campaign Finance Enforcement Account had a budgetary fund balance of \$12,689, with \$5,041 in fines collected in FY 2004.

**Explanation of Local Expenditures:** (F) Under the bill, county executives would be required to give notice in newspapers of precinct boundary changes (including instructions for filing an objection with the Election Division.) This provision should impact local expenditure minimally.

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Election Division, Indiana State Police.

**Local Agencies Affected:** Counties.

**Information Sources:** *State of Indiana HRM Detail Staffing Report, December, 2004*; State Budget Agency: *FY2004 General and Rainy Day Fund Summaries*;

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